

**REPRESENTATIVE TOWN MEETING
STATE OF THE TOWN MEETING
DECEMBER 6, 2010**

RECEIVED
DEC - 7 2010
TOWN CLERK'S OFFICE
DARIEN CT.

CALL TO ORDER

The Regular State of the Town Meeting of the Representative Town Meeting was called to order at 8:10 p.m. by Donna Rajczewski, Town Clerk.

Upon Roll Call, the following members were present:

From District I, there were 8 members present, 8 absent.
From District II, there were 12 members present, 3 absent.
From District III, there were 11 members present, 6 absent.
From District IV, there were 10 members present, 4 absent.
From District V, there were 8 members present, 8 absent.
From District VI, there were 16 members present, 1 absent.

The absentees from District I were: Bishko, Glassmeyer, Harrington, Imbimbo, Ness,
Price, Schwarz, Sommer.

The absentees from District II were: Howe, Marston, Noe.

The absentees from District III were: Coyle, D'Urso, Ferretti, Lehan, Maroney, Martens.

The absentees from District IV were: Cleary, Morrison, Peters, Savage.

The absentees from District V were: Adiletta, Camuti, Conniff, Daily, Nizolek, Orr,
Russell, Sharp.

The absentees from District VI was: McNamara.

The Moderator, Karen A. Armour, assumed the Chair.

ACCEPTANCE OF THE AGENDA

**** THE AGENDA WAS ACCEPTED BY UNIVERSAL CONSENT.**

APPROVAL OF THE MINUTES OF THE NOVEMBER 8, 2010 ANNUAL MEETING

**** THE MINUTES WERE APPROVED BY UNIVERSAL CONSENT.**

ANNOUNCEMENTS

There were no announcements.

STATE OF THE TOWN REPORTS

CHAIR, PLANNING & ZONING COMMISSION

Fred Conze, Chairman of the Planning & Zoning Commission, read his written report (attached).

RTM, December 6, 2010

Page 1

CHAIR, BOARD OF EDUCATION

Kim Westcott, Chair of the Board of Education, read her report (attached).

CHAIR, BOARD OF FINANCE

Elizabeth Smith Mao, Chair of the Board of Finance, read her written report (attached).

FIRST SELECTMAN

David Campbell, First Selectman, read his report (attached).

**** UPON MOTION MADE AND SECONDED FROM THE FLOOR, IT WAS
UNANIMOUSLY VOTED TO ADJOURN THE MEETING AT 9 P.M.**

Respectfully submitted,

Cheryl Telesco
Telesco Secretarial Services

**STATE OF THE TOWN ADDRESS
FRED CONZE, CHAIR
DARIEN PLANNING AND ZONING
COMMISSION
DECEMBER 6, 2010**

Good evening Madame Moderator, Members of the RTM, other elected and appointed officials, and the people of Darien. I am pleased to give you this annual “State of the Town” address, updating you on the activities of the Planning and Zoning Commission and the other local land use boards within the past year.

As any casual observer of Channel 79, reader of the local news paper, web sites, or patron of the “Bowl” would attest, these past twelve months have been extremely busy on many fronts: commercial redevelopment including Whole Foods, affordable housing including the approved redevelopment of Allen O’Neal, the management of existing town facilities and resources such as the old library site, the expansion of community “quality of life” institutions such as the YMCA to name a few. It is notable that these activities

and projects all have “redevelopment” as a central theme. This should not come as a great surprise, however, since our town is fully developed and much of our existing stock of commercial and retail space was put in place many years ago. A primary focus for our land use boards, and principally Planning & Zoning, therefore becomes how we capitalize on these redevelopment opportunities to “add incremental value” to the town from which we all benefit while maintaining our residential character. No longer can we just wait for the next application to walk through the door. We must plan and think through how we optimize “incremental value”.

As detailed in our Town Plan of Development, our objective is to preserve the character of our Town. The demographic and economic forces generated by our immediate neighbors to our east and west cannot be taken lightly. I have spoken of these forces in past Town Addresses. You may have heard, for example, the term

“Transit Oriented Development” - a concept that has achieved a certain vogue in recent times. It is important to recognize this concept for what it truly is: a strategy designed to increase residential density along transportation corridors to support employment centers like our neighbors. To be sure, many outside our town (and some within our midst) view Darien as a housing opportunity regardless of its effect on the character of our town and existing housing values.

So where do we go from here to gain that “value added” redevelopment without impacting our Town’s character.

- We look to developments like 333 West Avenue, just north of Patton Drive. This was essentially the merging of multiple building lots into an 8 unit “cluster development”- keeping basically the same density currently in the neighborhood while creating additional open space and common area. This type of approach

preserves scale and density, while reducing the on site costs for the developer.

- We look to the rezoning of Noroton Heights – potentially a 20 acre site currently comprised of many older structures with no cohesive traffic planning, architecture, or user friendly development. Try backing out of the Donut Inn onto Heights road. We have a critical drainage problem that needs to be fixed the solution for which could involve a public private partnership on portions of this site while creating “value added” upscale mixed use redevelopment. We have every reason to believe that redevelopment of this area can result in a more unified commercial zone – both comprehensively planned and coordinated.
- We look to Old Kings Highway South and David Genovese’s brand new office building under construction in place of an old one story structure. Think, for example, of converting that vast parking lot behind 1020 Post Road into a town green someday – moving all those parked

vehicles into, yes, structured parking tucked into the thruway embankment behind newly redeveloped buildings along Old Kings Highway South.

- We look to three bedroom residential development on the Procaccini property. Two bedroom development has its place, but try putting up your grown kids and your grand children in two bedrooms at Middlesex Commons. While P&Z approved 62 units on the Procaccini site in 2007, we are hopeful construction can begin in 2011.
- We look to continue working on the issue of affordable housing – the approval of the Garden Homes project earlier this year is an example of the private sector redeveloping an existing commercial property into an affordable housing use with no incremental site or neighborhood impact – a win win for all parties.
- We look to stimulate our business districts by encouraging retail development, new restaurants and pedestrian use and access.

Finally, we need to all take a bow as public servants. Rarely are we given validation for all the hours and due diligence we contribute to keeping our town what it is. I would like to cite recent statistics from the web site Zillo.com where in the average year over year sale price of housing through September in Darien increased by 12.1% compared to New Canaan at .4%, Westport at 1%, Norwalk at 3.8 %, Stamford at 3.8% and Greenwich at a negative 1.6%. While one could argue statistics can be skewed by individual components of the averages, one cannot help but conclude we must be doing something right. Thank you for the opportunity to address you this evening.

Good Evening. Madame Moderator , members of the RTM ,fellow elected officials and interested citizens, on behalf of my colleagues on the Board of Education, it is my pleasure to report to you that the Darien public schools are in excellent shape and the district remains one of the finest in the State.

Management:

This is in large part because of the outstanding leadership of former Superintendent Don Fiftal and his highly experienced administrative team as well as our teachers and staff working tirelessly in a challenging economic environment, to maintain the high academic standards our students, parents and the town have come to expect. Mr. Fiftal announced his June, 2010 retirement about this time last year, and the Board of Education conducted a search which resulted in the appointment of Dr. Steven Falcone as Superintendent effective July 1, 2010. Dr. Falcone has worked for 25 years in education, 15 years of which have been spent in teaching and administrative positions in Darien. In addition to his extraordinary academic credentials, Dr. Falcone has a remarkable rapport with students, teachers and staff and brings strong executive leadership skills to the job. From where I stand it has been a very smooth transition. It is also an exciting time for education in Darien, which I will speak more about later.

Economy:

2009-10 was a fiscally challenging year. The significant downturn in the economy caused us to make wide scale cuts and defer initiatives in the 09-10 budget. Last fall the state unexpectedly reduced our Special Education Excess Cost grant by more than \$500,000 and, larger than expected special education expenses were incurred during the school year. Consequently a spending freeze was put in place and an additional \$350,000 appropriation was approved by the BOE and the RTM to assure that the budget stayed in balance. Through careful management, the BOE returned \$257,000 to the town at year end. The Board of Education appreciates the efforts of elected officials and all citizens to understand the fiscal needs of the district, to adequately staff our schools, provide materials, provide safe, clean and modern facilities for our students and staff.

The 2010 -11 fiscal year looks no less challenging than 09-10. The goal of the budget is to maintain the excellent core educational programs and maximize revenue sources to be able to provide today's students with as rich an academic experience as those students who have come before them. Unfunded State mandates, particularly as they relate to special education continue to put severe pressure on our current budget. The state of Connecticut's weakened financial condition makes it very challenging to predict how the special education excess cost grant will be funded in 2010-11. We are currently projecting a \$350,000 deficit after five months of operations, which is about where we were last year at this time. This could erode further depending on how the excess cost grant is funded.

Looking ahead to 11-12 there appears little relief. Our operating budgets- the textbooks, teaching supplies and equipment accounts- have been very tightly budgeted and much has been deferred for two years. Contractual obligations negotiated in flusher times will affect our ability to catch up on deferrals let alone consider updates and new initiatives. The Federal ARRA grant will cease, which represented \$800,000 of grants over the past two years. We will clearly have much discussion in the months ahead about the 2011-12 budget.

Enrollment:

Enrollment continues to rise. Current enrollment as of October 1, 2010, stands at 4841, up 63 students from a year ago. We were up slightly at the elementary level, flat at Middlesex (where we had projected a decline in enrollment and cut staffing), and up 51 students, as projected, at Darien High school. Continued growth is projected at the middle and high school levels for 2011-12. For those of you hoping for an enrollment plateau... our projections now show a leveling out occurring in 2014-15 and a very

gradual decline thereafter. Our growth has been in excess of our peer school districts. Over the past 7 years Darien has experienced 10% enrollment growth, whereas for our peers, the average has been 3%. Towns off the MetroNorth line, like Ridgefield, Redding, and even New Canaan have experienced declining enrollment.

The devil is in the enrollment detail when it comes to facilities planning. We project the need for an additional classroom for the preschool special education program, currently housed at Hindley and Tokeneke. We are tight at the middle school and have a backup plan if additional space is needed next year. The additional classroom space created at the high school this year should be adequate until the enrollment grows closer to the 1400 level projected in 2012-13.

Student Achievement

The annual district testing results are on the district website: darienps.org (under the Board of Ed. Reports tab).

The Connecticut Mastery Tests are administered to grades 3-8 in March each year. While the 2010 results are again very strong, the pay dirt comes from the ability to analyze the individual student data, as well as the horizontal data, this year's 4th graders vs. last year's 4th graders, longitudinal data, this year's 4th graders vs. how they did as 3rd graders and how our students are doing relative to students in peer towns. This analysis is used to strengthen instruction and ultimately student learning.

The Connecticut Aptitude tests (CAPT) are administered to all 10th grade students and this year reflected declines in % of students meeting goal. Specific steps are being taken to improve students' skill preparation for the test.

Enrollment in Advanced Placement courses continues to rise... We offer 19 different courses. 530 tests were taken in 2010 with 75% of the test takers earning a high score of 4 or 5; and in many cases insuring course or placement credit at the college level.

PSAT results, which determine national merit awards, were strong. In 2010, Darien High school had 22 Commended Scholars and 15 National Merit Semi-Finalist, the most of any CT public high school.

The SAT's results remain strong. The composite mean score of 1780 is 2nd highest in the state (our neighbors to the north edged us out.)

The Class of 2010 graduated 285 students; 91% of them have gone on to college, which is consistent with past years. The college process cannot be overestimated for sheer workload by students and school officials: 2200 transcripts were sent out last year. Almost 2000 applications were completed representing an average of 7.7 applications submitted per student. Students applied to 351 different schools (and are attending 133 different universities and colleges). 63% are attending Most Competitive and Highly Competitive colleges as rated by Barron's (profile of American Colleges); another 30% are going to Very Competitive and Competitive ranked institutions. These are strong results in the competitive college admissions arena.

The Darien chapter of the National Honor Society provided over 3600 hours of volunteer service to the high school and many community groups including Person to Person, St. Luke's Lifeworks, and the Darien Historical society.

The Blue Wave video broadcast News team won 2nd place in the ANCC Cablevision Awards this year and it was a finalist in the MSG Varsity awards for its coverage of sports at DHS.

The school newspaper, Neirad, received several top national awards and Neirad enlino, the new online platform received a first place from the New England scholastic press association and a silver crown award from the Columbia scholastic Press association

Theater 308 produced a memorable Fiddler on the Roof last spring that involved over 100 students.

Darien high school library has an average of 1545 visitors a day. Circulation increased 13% with the largest increase in fiction books, partly explained by the promotion of pleasure reading by teachers and librarians. A student-staff book club was formed last spring.

Athletics- DHS fielded 63 teams in 21 different sports. 82.5% of the student body participated in at least one sport. Last year the Blue Wave brought home four state titles, four league crowns, and eight divisional championships as well as a national title in sailing and state championship in club rugby. For the Fall season we can add 3 more FCIAC championships and 1 more state title to the list. Four of our coaches were named FCIAC coach of the year. Coach Laurie LaRusso was selected as the National High School Coaches Association Volleyball Coach of the Year for 2010. Coach Steve Norris was elected to CT State Coach's Association Hall of Fame and former Athletic Director, the late Jim Girard was elected to the FCIAC Hall of fame.

Citizenship has continued to be an ongoing goal of the Middlesex school community. Our students have continued to take on the task of serving a school in Darien, Panama. By raising awareness and funds, our students have built a library and technology lab for these students who learn in the rainforest in Darien, Panama.

The student council plays a major role in helping to create an awareness of good citizenship and civic responsibility through the many fundraisers that were organized for the benefit of others both in Darien and surrounding communities.

District Accomplishments

The 2009-10 school year saw important instruction-based efforts at each level. In the elementary schools, we incorporated assessment-based instruction as a means of monitoring meaningful learning and tailoring teaching to the needs of children. The middle school made wide use of professional learning communities which worked collaboratively on issues such as enhancing consistency of high classroom standards, sharing units of study, and examining teacher assignments and student work products to better inform improvement of teaching practices. Darien High School also made use of professional learning communities for the purpose of conducting the initial steps for their self-study in preparation for the NEASC Accreditation visit scheduled for 2012.

There were 11 curriculum projects in 2009-10 that included Mandarin Chinese III, revised Spanish III and French III, Music Tech II, English 9, K-5 music, Algebra II, Pre calculus, (Multi-variable Calculus?) and Advanced Placement Economics. A pilot program for a Senior Internship was successfully introduced at Darien High School in the spring of 2010, and the scientific research-based intervention system was fully implemented at the elementary level and was expanded into the middle and high school levels.

Facilities- Our facilities remain in very good shape due to the planning and hard work of Mr. Paul Engemann and the maintenance and custodial staffs. Mr. Engemann passed away recently. A dedicated employee and a good friend to many in this town, his word was his honor as many of you know from his work to assure you that capital projects were well thought out and carefully budgeted. The proof is in the fine condition of our facilities and forward planning that leaves us today with a 7 year plan for maintenance and capital projects. This past year's capital projects include new boilers installed at Holmes school, door replacements at Middlesex, classroom conversions and new gym lockers at DHS.

Board member Betsy Ross is serving on the building committee looking at the potential shift of BOE offices to 35 Leroy and the Senior Center development at Town Hall. The Board of Education has approved educational specifications for central office space as it has for previous school building projects.

It is a challenge to encapsulate in 10-15 minutes what is accomplished in the Darien Public Schools over the course of a year. Our schools are exciting because of the constant, student centered learning going on every school day. I recently visited some of our schools with Dr. Falcone and I'd like to share some thoughts about those classroom visits. Our teachers are very used to having administrators visit their classrooms unannounced in the interest of improving student learning. Most paused for a greeting but quickly continued their lessons. Dr Falcone would quietly ask a student what the class was working on, our students would pause to answer and shift back to the class. 2nd graders were in a small group with a teacher reviewing the three ways to spell words with the long A sound (ai, ay and a with a silent e on the end of the word). One quickly appreciates the skill needed to keep the children engaged while advancing each child's understanding. A lively 7th grade Spanish class was learning double digit numbers (30,40 and 50's) by preparing cards to play bingo...the teacher never uttering a word of English. At the high school, Juniors are reading Thoreau's Civil Disobedience and discussing an assignment to write a letter (possibly to the media) about a dissatisfaction of their choice. Wooden catapults were being tested in Tech Ed where the master teacher was working practical applications of physics, into the discussion. It is obvious that our students and teachers are engaged in the serious business of learning every day. As our educational philosophy states, "the BOE strives to create and sustain a public school system for our community capable of developing , to the utmost, the potential of the children entrusted to it". You can be proud of what has been accomplished over the past year in the Darien Public Schools.

The Board extends its deep appreciation to former Superintendent, Don Fiftal and Superintendent Steve Falcone and all the employees of the Darien School system, for their outstanding work during this challenging year. Their professionalism and dedication are the secrets to our success as a district.

In these lean times the school district has been the recipient of many gifts that have maintained and enhanced the school environment for our students. On behalf of the Board, I would like to extend our thanks and appreciation to the many parent volunteers and nonprofit groups that have contributed financially and otherwise this year.

It is an honor and a pleasure to work with as committed and as informed a group of volunteers as my colleagues on the Darien Board of Education. Sincere thanks to Betsy Ross, Vice Chair, Clara Sartori, Secretary, Amy Bell, Susie Perticone, Jim Plutte, George Reilly, Heather Shea and Morgan Whittier

Lastly, I would like to recognize all of you on the RTM, our elected officials and the citizens of Darien for your long standing commitment to education and steadfast support. This spirit truly sets this community apart. A wholehearted thank you and good night.

Kimberly P. Westcott
Chairman, Darien Board of Education
RTM State of the Town Meeting
December 6, 2010

**STATE OF THE TOWN ADDRESS
ELIZABETH SMITH MAO, CHAIRMAN
BOARD OF FINANCE
DECEMBER 6, 2010**

Madam Moderator - Members of the RTM - Town Officials -Fellow Citizens and Taxpayers

Good evening! The Chairman of the Board of Finance has the privilege of addressing the RTM each year in early December. This is the first time I am addressing you in this role, and I would like to begin my remarks tonight by acknowledging the outstanding leadership provided to this Board by outgoing Chairman Murry Stegelmann. For the last three years, Murry has led this board with great skill, through the toughest economic times our generation has experienced, all while running his own business.

Murry exemplifies the very best about Darien and its government —volunteers who step forward to contribute their valuable time and talents to making our town the very special home it is to all of us. Thank you, Murry.

I am pleased to report tonight that the Town of Darien's finances are in excellent shape. We retain our Aaa rating for our bonds and notes. And, there are two over-arching reasons for this strength. Yes, we have been good stewards of our finances, and we put the brakes on capital spending as the fiscal crisis took hold. But equally important, we also were able to work collaboratively, reflecting a sense of trust and respect between the main governing bodies of the town. I'll speak more about this specifically in a few minutes, but I must acknowledge upfront that we appreciate the respectful cooperation between the Board of Finance and the Board of Selectman, the Board of Education and this governing body, the RTM. Looking ahead, as we develop our budgets for Fiscal Year 2012, we will need to draw upon these reserves of good will, as we are facing some steep challenges.

Just yesterday, the headline article in *The New York Times* warned that the next major fiscal crisis is likely to be centered on states and municipalities, several of which are essentially bankrupt.

Although not specifically mentioned in the NY Times, Connecticut's finances are in dire shape, with projected budget deficits for next year now estimated at \$3.5 billion dollars on an approximately \$19 billion dollar budget. This morning, the Darien Patch reported that these deficits could actually be as high as \$5 Billion dollars.

Like other states, Connecticut has been borrowing from the future to meet its current operating obligations, and the string has now run out. Accordingly, we must assume we will see a significant decrease in the cost sharing dollars we have been receiving from Hartford. Coupled with the end of Federal Stimulus dollars, future budgets are going to be challenging. We have factored these assumptions into our Five –Year Plan.

FISCAL YEAR 2010

But before we look to the current year and next year, let's review a few key points about the fiscal year which ended on June 30, 2010.

As you all know, Darien must balance its budget each year. Our budget for the year was a total of \$106.8 million dollars, but an extra \$350,000 was appropriated in April to cover expected increased costs in the education budget. With careful management, as mentioned in Kim Westcott's remarks, the Board of Education ended the year by returning \$257,000 unspent. I thank the BOF and the RTM for quickly responding to the BOE's request for the appropriation and the return of unspent dollars by the BOE. This could only happen with cooperation and trust between us all.

In the General Fund, we ran an operating surplus for 2010. While revenues were lower than estimates, expenditures were under budget by a greater amount. In addition to the return of funds by the BOE, the biggest reasons for the surplus are positive results in Risk Management, Debt service, Employee Benefits, EMS, Public Works, Public Health, and Parks and Rec. Moreover, strong tax collections and stronger than projected Town Clerk Fees, reflecting a nascent real estate recovery, aided from the revenue side.

I specifically mention all the positives because I want to commend the very fine work our Town managers have done in keeping a tight grip on expenses. Moreover, our Finance Director, Kate Buch, worked with the Board of Finance early last winter to jump on the very low interest rates available in the market to refinance \$11.5 million in bonds, saving over \$1.1 million in net cash flow.

CURRENT YEAR

Next—a few words about the current budget year which began on July 1st.

This year's budget of \$109.7 million appears to be on track. However, we are watching a few items carefully. We are experiencing increased legal expenses due to on-going regulatory and litigation issues, and we are concerned about continuing cost pressures on the Board of Education budget. We have already figured that we will not receive full reimbursement of our Special Education Excess Costs, but if the State finances deteriorate this budget year even more, our estimates for reimbursement could be too optimistic.

Legal expenses for Special Education adjudications and settlements continue to rise. Unfortunately, Connecticut is one of only two states in the country where the traditional burden of proof in Special Education adjudications is reversed. Here, our Board of Education is required to prove that a student's individual education plan is appropriate and progress is being made, and then affirmatively show why requested services should *not* be afforded. Growing numbers of

children requiring these services adds to the pressure of the budget. I would ask you to call upon our elected state representatives to reverse the standard of proof to give the presumption of appropriateness to our School districts.

Knowing that our budget is tight, representatives from the Board of Finance, Board of Selectmen and Board of Education are working closely through regular meetings to keep track of trends and catch any shortfalls early.

FIVE YEAR FORECAST

Now – let's get onto the handout which you have been given tonight – the Board of Finance Five Year Financial Forecast. I would like to refer to it for a few minutes.

The cover page describes many of the overall assumptions.

- First of all – it is a forecast – not a budget.
- Secondly – most of the information in this forecast was provided to us by the Board of Selectmen and the Board of Education. We have made some modifications to the numbers, but the numbers are primarily from those two Boards.
- Third –For those who like the details – there are several more pages which support the handout. I will give copies later to your Finance and Budget Committee – and anyone else who wants to explore the details.

Most important, the Board of Finance DOES NOT consider these projections acceptable.

We have made conservative assumptions about revenues and growth in the Grand List.

However, we are fairly confident that the BOE expenses will be up considerably due to contractual raises negotiated before the financial crisis and the ever-rising medical costs. We will have an opportunity to negotiate new contracts with teachers next summer, and we will be sending a strong message to the BOE that continued personnel expense growth exceeding 3 percent per year is not sustainable.

Another factor in the projected rise in expenses is the restart of the capital projects put on hold as the fiscal crisis began. On the positive side, interest rates are at record lows and as we go to market to bond these projects in March we expect to lock in rates that will be unusually low.

Most of the basic numbers in the forecast come from the -

- Six Year Capital Forecasts made by the Boards
- debt payment schedules.
- Enrollment projections
- labor union contracts now in effect
- benefit costs as projected by the vendors based on our latest experience ratings.

The Board of Finance does project such factors as

- The rate of inflation
- The interest rates which we will pay and earn, and government revenues
- The pension, workers comp, and casualty insurance increases.

HOWEVER, BEFORE WE GO INTO ANY DETAILS, LET ME FIRST SAY THAT THE BOARD OF FINANCE HAS VOTED TO FORWARD THESE PROJECTIONS TO YOU, BUT THAT WE FIND THEM TO BE UNACCEPTABLE IN THEIR RESULTS.

Exhibit B

My first comments are on Exhibit B.

As you can see, the BOE budget represents approximately 65 percent of the total budget. Enrollment projections assume relatively flat numbers and as I mentioned before, the largest driver of the increase in budget is personnel costs. Special Education costs continue to rise at rates above increases in other costs.

On the Selectmen's side of the budget, the main driver of budget increases is the return to spending on capital projects. Of these, the Police Station is the biggest investment, and it is the reason for the big increase in debt service for next year. The five year plan envisions \$28.9 million to be spent on capital projects, and includes the Police Station, Weed Beach, purchase of 35 Leroy, and the Senior Center to Town Hall and BOE to 35 Leroy project.

All totaled the debt level for the town is projected to rise from \$94,325,000 in Fiscal Year 2012 to \$98,837,000 in Fiscal Year 2013. On the plus side, this is the peak debt level we foresee for the next five years and is still below our \$100 million in debt level of 2008. Moreover, two years out, we see a rapid repayment of bonded debt with accelerating declines. We will be working to reassess the amount and timing of needed expenditures on projects to drive down overall debt level and interest costs. This will be difficult as in the five year forecast we have already assumed the postponement of at least a million dollars in capital spending projects.

Exhibit C and Mill rate

On Exhibit C, although tax receipts will rise next year, we expect a decline in funds from the State of Connecticut through the Equalized Cost Sharing Grant and the Excess Costs Reimbursement. We also expect the Grand List to remain essentially flat for next year. If these projections are correct, we will need to draw down our Fund Reserves in order to keep tax increases acceptable. However, our Fund Reserve will remain within our policy range of 8 to 12 percent of yearly expenditures. We will stay in this range over the next five years. Maintaining our reserves at suitable levels is critically important not only for emergencies, but also to protect our bond rating.

The overall budget increase for next year (Fiscal year 2012) is currently projected at 7.17 percent, or a 12.58 mill rate, an amount we consider to be unacceptable for Darien taxpayers. At present, the five year plan includes increases in the budget of 5.08 percent for 2013, with the following years at 4.40 percent, 4.59 percent and 3.97 percent, respectively.

With deficit pressures growing at the State and Federal levels, I fear more unfunded mandates and expenses will be pushed to towns and municipalities. Thus, as intergovernmental transfers decline, we here in Darien will have to do more to live within our own means. This might mean tough decisions about deferring some capital projects and continuing to hold operating costs below what we might want.

Overall

In summary, although we see y small signs of the start of a recovery, it is possible that it will be a protracted one. For the sake of those who remain unemployed or underemployed, or have seen their net worth plummet, or can't sell their house, each of us in elected office needs to be diligent in trying to deliver the services of government in the most cost effective way in the upcoming year

However, I am also reminded daily what a privilege it is to live in the town of Darien. We have excellent schools, music, arts and theater programs, as well as great athletic programs. We have a vibrant downtown. We have an untold number of volunteers and non-profit organizations. We are a caring community. And we have an inheritance, passed on to us by prior town governments, of living within our means, being fiscally prudent, striving to keep a reasonable mill rate, and not employing financial gimmicks to hide problems.

I would like to thank all the members of the Board of Finance this year for their time and effort, especially outgoing Chairman Murry Stegelmann; Martha Banks, Vice Chairman; Jon Zagrodzky, the Board's new Clerk; Lori Bora; Gwen Mogenson; and, Joe Duwan.

Thank you.

Good evening RTM members, boards and commission members and fellow citizens.

Some of you may remember my analogy last year of feeling like a kid with a learners permit. Well, I got my license despite a few car crashes. The year has been an incredible adventure.

I have enjoyed serving all the people of Darien. It is very important for the Selectmen to be the arbiters to make decisions that balance the needs of all the taxpayers in Darien.

The first job of our community is to protect our citizens and educate our children. Fire, Police and Post 53 all must be maintained to the highest standards. With this in mind, the Board of Selectmen and the Board of Finance approved a \$50,000 appropriation to upgrade the 911 response system for Post 53. The Darien Fire Department is receiving a new ladder truck at the cost of \$800,000 and the Police Department new headquarters has been released to construction.

Last year I talked about the "State of the State." Unfortunately, my feeling of a dysfunctional state has not been changed. If anything, the more I learn in my dealings with our state government the more I understand most of the tension and controversy is a result of our State Government.

Unfunded state mandates and rules cause budget problems for both the Town and our schools. Even our State Senator Bob Duff is quoted last week as saying, "If someone says no unfunded mandates, that is foolish, that is not going to happen." We will get less funding and more rules going forward which will affect our local property taxes.

Another area of tension in our town is the 8-30 g Affordable Housing mandate. We were rewarded a 4-year moratorium from the rules of 8-30g. This is a short term solution but not a long term fix. We will never reach the 10% affordable level to gain permanent relief from 8-30g. Darien would need to add over 600 units to get the 10%. There is not the space or the economic incentives to reach these levels.

We must do what is right for the taxpayers of Darien. We will aggressively fight poorly thought out developments and support developments that make sense. In the past year the Selectmen and Planning & Zoning Commission have supported the expansion of Allen O'Neil. We have approved 106 new units of housing yet CHAFA has no money for Darien. Planning & Zoning has approved one 8-30g application by Garden Homes. The 11 affordable units are being occupied this month.

I want to commend Fred Conze and Joe Spain for the many hours they have put in dealing with 8-30g applications. The Planning & Zoning Commission, as proven with Garden Homes, is willing to move forward with responsible development.

An area that took a lot of time this year is what to do about the Senior Center. We are moving forward with a very cost effective, practical plan to move the seniors into a new community

center here at Town Hall. Norm Guimond has been elected chairman of the Building Committee and is in the process of organizing interviews for architects. The Building Committee has a goal to move the Board of Education next December and begin work here at Town Hall.

As a town we have a lot to be proud of:

- 1.) An excellent public school system
- 2.) An active network of volunteers and staff who are looking out for our seniors and those in need
- 3.) Social Services helping those under financial stress
- 4.) Health Department established the first Prescription Medication Disposal Day in Darien and it's doing a good job organizing flu shots, monitoring restaurants and the beach water.
- 5.) Public Works is making sure the roads are safe and working hard to ensure the town looks good. They have worked well with the Beautification Commission on several projects this year.
- 6.) Parks & Recreation keeping our parks and beaches in good shape, plus offering 50 recreational programs per season.
- 7.) Planning & Zoning is working hard to balance development with the character of the town. Much time was spent on documentation for the Moratorium application and subsequent inquiries.

We are a town of compassion and when you open the paper or online news feed to bad news step back and remember all the good that people in this town accomplish every day. Our community gives back in volunteer time and money like no other. We should all be proud and thankful every day.

Remember my office door is open, my cell phone is on and my email gets to me quickly. Have a great holiday season and be thankful for all we have.